

## ARISE+ Lao People's Democratic Republic



Inclusive growth through regional integration, trade intelligence and participating in global value chains

COUNTRY FOCAL POINT: Ministry of Industry and Commerce

DONOR: European Union

TIME-FRAME: Inception period: 2019; implementation period: 2020 - 2022

TARGET GROUPS: local producers, small businesses and exporters, the national government

ARISE+ in the Lao People's Democratic Republic promotes inclusive economic growth, increased climate change resilience, mitigation of vulnerability and job creation. Part of the ASEAN Regional Integration Support from the European Union, the project works towards improving the overall business environment and participating in global value chains in the wood processing and coffee sectors.

The four-year project is the country's component of ARISE+, which supports the regional economic integration under the European Union's 2014-2020 Multiannual Indicative Programme for Asia. The project's

main partner is the Ministry of Industry and Commerce in the Lao People's Democratic Republic through its National Implementation Unit.

Project beneficiaries include the country's ministries such as the Ministry of Agriculture and Forestry, Ministry of Science and Technology, exporters in the wood-processing and coffee sectors, as well as trade and investment support institutions such as the Lao National Chamber of Commerce and Industry. The ITC Project Coordination Office is located at the Ministry of Industry and Commerce.

### CONTEXT

The Lao People's Democratic Republic joined the World Trade Organization in 2013, committing to regional integration by means of the ASEAN Economic Community and its Blueprint 2025.

However, resource-intensive exports resulted in limited gains for small and medium-sized enterprises,

who were not able to integrate economically or comply with sectoral market requirements such as the EU's Forest Law Enforcement, Governance and Trade. Moreover, the economy suffers from complex regulatory procedures and a narrow product range. Small businesses thus need to diversify their economic activity to ensure inclusive economic growth.

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## EXPECTED RESULTS

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In line with the country's National Socio-Economic Development Plan 2016-2020, the European Consensus on Development, the WTO Agreement on Trade Facilitation and the ASEAN Economic Community Blueprint 2025, ARISE+ expects to reach three results:

### 1) Increased regional integration

The project addresses and identifies the Lao People's Democratic Republic's commitments towards implementing the ASEAN Trade in Goods Agreement and priority obligations under the ASEAN Economic Community Blueprint 2025. The activities are as follows:

- **Gap analysis:** analysing the measures and level of implementation as well as assessing export potentials of priority sectors in the Goods Agreement.
- **Reviewing results of gap analysis with government and private sector:** designing a strategic roadmap.
- **Providing technical assistance and capacity building:** quality conformity assessment, consultations, tailored assistance, awareness raising and setting up a monitoring system.

### 2) Increased benefits from trade opportunities and market linkages with the EU

The project highlights preferential market access opportunities under the 'Everything But Arms' scheme to increase exports to the EU, as well as under other regional schemes. It serves as a springboard for the country's graduation from its current least-developed-country status. Planned activities:

- **Reviewing export potential and existing trade** with the EU and the regional market.
- **Raising awareness on Everything But Arms:** capacity building for officials and private sector, publications, export potential and information on graduating from least-developed-country status.

- **Raising awareness on EU quality-related mandatory market requirements, voluntary industrial standards:** in wood processing and coffee.
- **Developing a pool of national quality champions.**
- **Developing an online export curriculum to support private-sector exports.**

### 3) Improved participation in global value chains

The project addresses the country's supply-side constraints, strengthens support services, enhances the investment climate and supports trade and investment promotion – with a focus on processed-wood products and coffee. Activities include:

- **Jointly developing sectoral export roadmaps:** identifying supply-side constraints and remedial actions.
- **Reviewing quality and availability of statistical trade data:** capacity building to strengthen data collection and statistical production capacities.
- **Promoting predictable, legal timber supply:** assessing legal supply of timber, tailored capacity building, markets for high-quality timber products and niches.
- **Developing market linkages with regional and EU markets:** organizing study tours, preparing for and participating in trade fairs.
- **Providing training and advisory support capacities in quality management.**
- **Promoting investment:** in priority sectors.
- **Promoting environmental and social standards:** capacity building on key standards, assessing climate risks for small businesses.



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